

Response dated 9/23/2005
Response to Office Action mailed 9/19/2005

Applicant No. 10/676,318

This listing of claims will replace all prior versions, and listings, of claims in the application

Listing of Claims:

What is claimed is:

1. (Original) A method of processing derivative product orders at an exchange, the method comprising:

(a) receiving derivative product order risk data including, at least one threshold value corresponding to at least one order risk parameter;

(b) receiving from a trader an order for a derivative product;

(c) utilizing the derivative product order and a trader's current order risk utilization state to calculate utilization data; and

(d) processing the derivative product order in a manner determined by the derivative product order risk data and the utilization data.

2. (Original) The method of claim 1, wherein (d) comprises executing a portion of the derivative product order.

3. (Original) The method of claim 2, wherein the portion of the derivative product order includes the maximum number of contracts that do not cause the utilization data to exceed the threshold value.

4. (Original) The method of claim 2, wherein the portion of the derivative product order includes the minimum number of contracts that cause the utilization data to exceed the threshold value.

5. (Original) The method of claim 2, wherein the portion of the derivative product order includes the maximum number of trading units that do not cause the utilization data to exceed the threshold value.

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6. (Original) The method of claim 2, wherein the portion of the derivative product order includes the minimum number of trading units that cause the utilization data to exceed the threshold value.

7. (Original) The method of claim 1, wherein (d) comprises canceling the order if the trader's order risk utilization state after executing the entire order would cause the threshold value to be exceeded.

8. (Original) The method of claim 1, wherein the at least one order risk parameter comprises delta.

9. (Original) The method of claim 1, wherein the derivative product order risk data received in (a) includes at least two threshold values corresponding to at least two order risk parameters.

10. (Original) The method of claim 9, wherein the at least two order risk parameters comprise delta and gamma.

11. (Original) The method of claim 1, wherein the derivative product order risk data received in (a) includes at least three threshold values corresponding to at least three order risk parameters.

12. (Original) The method of claim 11, wherein the at least three order risk parameters comprise delta, gamma and vega.

13. (Original) The method of claim 1, further including comparing the order risk data to maximum and minimum rules set by the exchange.

14. (Original) The method of claim 1, further including receiving from the trader offset data for the derivative product order risk data and (d) comprises processing the derivative product order in a manner determined by the at least one threshold value, the utilization data and the offset data.

15. (Original) The method of claim 14, wherein the offset data comprises an adjustment to the at least one threshold value.

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16. (Original) The method of claim 1, wherein the derivative product order risk data includes at least two threshold values corresponding to one order risk parameter.

17. (Original) The method of claim 16, wherein one of the at least two threshold values represents a trader's threshold value and another one of the at least two threshold values represents a trader's employer's threshold value.

18. (Original) The method of claim 1, wherein the order for a derivative product includes a corresponding hedge order and the utilization data includes an adjustment for the hedge order.

19. (Original) The method of claim 18, wherein (d) comprises executing the order when the utilization data indicates the presence of the corresponding hedge order.

20. (Original) The method of claim 1, wherein the derivative product order comprises a variable defined derivative product order.

21. (Original) The method of claim 1, wherein the derivative product order risk data is set for a class of option contracts.

22. (Original) The method of claim 1, wherein the class of option contracts includes option contracts that are based on the same underlying product.

23. (Original) The method of claim 1, wherein the order in (b) includes a hedge order and (c) includes utilizing risk data of the hedge transaction to calculate the utilization data.

24. (Withdrawn) A method of processing derivative product orders at an exchange, the method comprising:

- (a) receiving derivative product order risk data including at least one threshold value corresponding to at least one order risk parameter;
- (b) receiving from a trader an order for a derivative product;
- (c) determining a trader's current order risk parameter utilization value; and

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(d) executing the derivative product order when the trader's current order risk parameter utilization value does not exceed the threshold value.

25. (Withdrawn) The method of claim 24, wherein the at least one order risk parameter comprises delta.

26. (Withdrawn) The method of claim 24, wherein the derivative product order risk data received in (a) includes at least two threshold values corresponding to at least two order risk parameters.

27. (Withdrawn) The method of claim 26, wherein the at least two order risk parameters comprise delta and gamma.

28. (Withdrawn) The method of claim 24, wherein the derivative product order risk data received in (a) includes at least three threshold values corresponding to at least three order risk parameters.

29. (Withdrawn) The method of claim 28, wherein the at least three order risk parameters comprise delta, gamma and vega.

30. (Withdrawn) The method of claim 24, further including receiving from the trader offset data for the derivative product order risk data and (d) comprises processing the derivative product order in a manner determined by the at least one threshold value, the utilization data and the offset data.

31. (Withdrawn) The method of claim 30, wherein the offset data comprises an adjustment to the at least one threshold value.

32. (Withdrawn) The method of claim 24, wherein the derivative product order risk data includes at least two threshold values corresponding to one order risk parameter.

33. (Withdrawn) The method of claim 32, wherein one of the at least two threshold values represents a trader's threshold value and another one of the at least two threshold values represents a trader's employer's threshold value.

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34. (Withdrawn) The method of claim 24, wherein the derivative product order comprises a variable defined derivative product order.

35. (Withdrawn) The method of claim 24, wherein the derivative product order risk data is set for a class of option contracts.

36. (Withdrawn) The method of claim 24, wherein the class of option contracts includes option contracts that are based on the same underlying product.

37. (Withdrawn) A method of managing risks associated with derivative product orders placed at a plurality of exchanges, the method comprising:

(a) transmitting to a first exchange first derivative product order risk data including at least one threshold value corresponding to at least one order risk parameter;

(b) transmitting to a second exchange second derivative product order risk data including at least one threshold value corresponding to the at least one order risk parameter;

(c) determining a trader's current order risk utilization state at the first exchange and at the second exchange; and

(d) transmitting to one of the first exchange and the second exchange an offset value to adjust the at least one order risk parameter based on the determination made in (c).

38. (Withdrawn) A computer-readable medium containing computer-executable instructions for causing a match system to perform the steps comprising:

(a) receiving derivative product order risk data including at least one threshold value corresponding to at least one order risk parameter;

(b) receiving from a trader an order for a derivative product;

(c) utilizing the derivative product order and a trader's current order risk utilization state to calculate utilization data; and

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(d) processing the derivative product order in a manner determined by the derivative product order risk data and the utilization data.

39. (Original) A computer-readable medium containing computer-executable instructions for causing a match system to perform the steps comprising:

- (a) receiving derivative product order risk data including, at least one threshold value corresponding to at least one order risk parameter;
- (b) receiving from a trader an order for a derivative product;
- (c) determining a trader's current order risk parameter utilization value; and
- (d) executing the derivative product order when the trader's current order risk parameter utilization value does not exceed the threshold value.